Chapter 5

Innovation, Entrepreneurship, and Solving Wicked Challenges through CSR and CSV

Abstract

The Fourth Industrial Revolution has escalated innovation to new heights unseen, creating an evolution of innovation and corporate social responsibility (CSR), and as a result, a more Innovative CSR. With this evolution comes also the evolution of the ‘Preneur’ from social entrepreneur to corporate social entrepreneur and corporate social intrapreneur. It is therefore important to acknowledge that social entrepreneurship is not just for the social sector, or start-up entrepreneur – corporations can also be social entrepreneurs. This chapter establishes an understanding of this possibility alongside solving wicked problems and challenges, and how to provide collaborative networks and co-creation experiences to assist others on this journey. More importantly, the chapter discusses how corporates can assist millennials (and Generation Z) by funding and incubating their innovative or social enterprise idea under the umbrella of CSR strategy, until it is ready to be released to the world. The chapter is supported by academic literature and business publications with suggestions for future research opportunities.

Introduction

Corporate Social Responsibility (CSR) without considering innovation is no longer viable (Grayson et al., 2008; Kim, Brodhag, & Mebratu, 2014). Innovation is now well acknowledged as the sustainable engine for a firm’s growth and survival and is fundamental to the latest definition of CSR announced by the European Commission, as referred later in this chapter. Innovation also lies at the heart of social entrepreneurship. “Social enterprise and social entrepreneurship – as a business-inspired approach to solving social problems – has exploded across the United States and the world in the last decade” (Ganz, Kay, & Spicer, 2018, p. 59). It has fixed itself within a wide number of disciplines, from economic development and urban planning to health and education policy. Since Harvard
Business School established their first Social Enterprise Initiative over 25 years ago, this type of course has embedded itself in many of the elite universities in the US and helped turn social enterprise into an industry, funded by $1.6 billion in foundation grants (Ganz et al., 2018).

The CSR discipline has long identified its need for inclusion of social entrepreneurship into CSR SIs and CSR strategy:

“Corporate thinking needs to incorporate ‘social entrepreneurship’ (Nagler, 2012) and manifest social initiatives as individual activities for corporate citizenship and societal improvement Khan & Lund-Thomsen (2011). It also needs to emphasise the creation of a ‘social mission with a business engine’ (Sabeti, 2011), by creating and assisting social enterprises and NGOs, and do all this in a sustainable way, within balanced guidelines for selecting socially responsible initiatives within CSR strategies.” (Munro, 2013a, pp. 97 and 98)

Clarification of the need to integrate social entrepreneurship with CSR activities has come from past research examining the perspective of employees, as local citizens in developing and developing countries and communities. The research study below, for example, confirmed that stakeholders from numerous countries and cultures are ready for the inclusion of innovation in CSR:

“They (stakeholders) welcome the transition to ‘social entrepreneurship’ and ‘socially oriented corporate missions’ which assist social enterprises, NGOs and activities within communities. The study also confirms that the traditions and experiences of particular nationalities and cultures …. and will expect and demand this in CSR strategy developed in global emerging economies and regions in the future.” (Munro, 2013a, p. 98)

While stakeholders appear to be positive toward corporates supporting social enterprise development as part of CSR strategy, there are varying perspectives on the success of the social enterprise movement itself. Some researchers say the social enterprise movement has made limited progress in solving the systemic social problems it states it will address. Ganz et al. (2018) take this one step further by stating the movement actually distract from and undermines the critical role of an organized citizenry, political action, and democratic government from achieving systemic social change, by offering itself as a private, market-based alternative.

While long supported in America and the UK, other universities around the globe have more recently set-up centers for social enterprises. The Yunus Social Business Center, for example, has recently been set-up at Griffith University in Queensland, Australia, and at the La Trobe Business School in Melbourne, Australia. Both
draw from the philosophy of Muhammad Yunus, aiming to drive system change through innovation, social entrepreneurship, and enterprise.

Corporates, however, are also supporting millennials and Generation Z (henceforth referred to as millennials), to solve systemic wicked problems (henceforth referred to as challenges), through supporting innovation, systems change and social enterprise development. Social entrepreneurship, therefore, is not just for the social sector, or start-up entrepreneur – corporations can also be social entrepreneurs as a way to assist others. Leading companies are seeking to create more robust forms of strategic corporate citizenship and are engaging in “corporate social entrepreneurship” (CSE) (Austin, Leonard, Reficco, & Wei-Skillern, 2006). Austin et al. (2006), in their book chapter titled Social entrepreneurship: it’s for corporations too make precisely this point. CSE should be a priority topic in university curriculums alongside social entrepreneurship and social intrapreneurship, starting with understanding the components of CSR as the overriding strategy that can incorporate these types of entrepreneurship within organizations.

As millennials will make up over half the workforce by 2025, innovation and change is important to consider. As noted previously, it is acknowledged that millennials will seek “change” in society, they will “be the change” and they will have the power to effect change. In fact, “they will change how change is made” (Case Foundation, 2017). Research has also found that millennials reward or punish corporations based on corporate levels of CSR involvement alone (McGlone, Spain, & McGlone, 2011). The research presented in the CSR and Innovation section of this chapter suggests CSR can be used as a starting point for innovation, where innovative projects are perceived as risky in the start-up phase. Conducting innovative social enterprise start-up projects under CSR strategy as an SI or social project places the entrepreneurial project under the safe umbrella of the organization’s CSR strategy. This allows for experimentation with innovation in a safe environment before being released to the general public. In this way CSR can provide innovation with a safety net. The corporate can provide a setting for the enterprise to experiment with a pilot project, which if successful, can be adopted as part of the organization’s ongoing CSR strategy and further developed and made scalable when unleashed to society.

This chapter commences with a discussion on innovation and its evolution to social innovation and co-creation and its relationship with CSR. Following this is a discussion on social entrepreneurship, social enterprise, CSE and corporate social intrapreneurship (CSI) alongside CSR. Millennials and social change is also discussed as part of their interest in the social enterprise movement. Research regarding social solutions to wicked challenges and systemic problems is also covered.

**Innovation as the Sustainable Engine**

As mentioned in the introduction to this chapter, innovation is well acknowledged as the sustainable engine for a firm’s growth and survival. Innovation is also
fundamental and integral to the latest definition of CSR announced by the European Commission:

“…the responsibility of enterprises for their impacts on society” (where) “enterprises must be given the flexibility to innovate and to develop an approach to CSR that is appropriate to their circumstances (and) maximize opportunities through transparency and social innovation as part of their CSR strategy” (European Commission, 2011).

However, innovation is a broad concept referring to scientific inventions, patents, technological breakthroughs, or even a simple new way to do things (Lee, Olson, & Trimi, 2012).

Although innovation is a frequently used term in business studies, economics, and management, the meaning of it is often broad and abstract. In fact some authors refer to it as “… a near meaningless buzzword having a positive connotation and implying some vague level of originality which everyone can agree is something desirable” (Nguyen and Hipsher, 2018). This is relevant as scholars state “language and word choices influence how individuals frame, analyze, and process information” (e.g., Imai, Kanero, & Masuda, 2016; Ronda-Pupo & Guerras-Martin, 2012; Tamariz & Kirby, 2016).

Therefore, to understand a term with such an abstract and capacious meaning, one must look at its context and “understand how the term is being used in that specific application.” (Nguyen and Hipsher, 2018). In this vein, Osburg (2013) bases his definition of innovation on the work of Austrian economist Joseph Schumpeter, who believed Innovation can be understood as a “new” combination of production factors (Schumpeter, 1982). He then followed the work of Baldwin and Curley (2007) who view innovation as the creation and adoption of something new that creates value for the organization that adopts it. The authors also quote Drucker (1985) who states innovation can be a specific instrument of entrepreneurship, more specifically an act that endows resources with a new capacity to create wealth (Osburg, 2013, in; Osburg & Schmidpeter, 2013). In comparison, McLean (2005) defined innovation as a development and implementation process of finding new types of problem-solving ideas. Similarly, Van de Ven (1986) defined innovation as the “development and implementation of new ideas” and then stating the new ideas. To further highlight the confusion regarding when the term innovation is, or is not used, Nguyen and Hipsher (2018) state “new ideas which are not perceived as useful are not normally called innovation.” This leads to the realization that innovation is not just a new idea. The idea has to be deemed useful first.

The academic research literature has generally found innovation to be of importance to economic performance, both at the national and firm level, and also at the individual level. The recent exploration of innovative firm performance by Tuan, Nhan, Giang, and Ngoc (2016), for example, suggests the higher the number of innovative activities, the greater the innovative output and overall performance (Nguyen and Hipsher, 2018). Increasingly it is thought that
innovation is necessary to be able to compete in both global and local markets. Not only is it necessary for multinational enterprises (MNEs), it is also necessary for small and medium-sized enterprises (SMEs) and micro-entrepreneurs or individuals, which can also be supported by MNEs. Previously this was more often in developed countries, but the main focus now for innovation as documented by the United Nations sustainable development goals (SDGs) is for increasing innovation focused on developing countries (Munro, 2018).

To do this, innovation needs to be perceived within a business sense of “taking an idea from a state of conception to a state of commercialization” (Quinn, 1985). Lee et al. (2012) refer to a new stream of research and business practice that advocates “shared value,” “should be the target of any Innovation” (Lee et al., 2012, p. 818). This may refer to the shared value of items in general or creating shared value (CSV) as in Porter and Kramer (2011). In some cases, innovation has become key to business strategy. Porter and Kramer’s (2011) shared value does in fact advocate innovation as a key pillar for execution within their framework. This is discussed further in Chapter 4.

Innovation discourse in business strategy tends to evolve around the concept that new ideas must be created, implemented, and accepted before the ideas can be considered “Innovative.” Doing this at the social level connects innovation with Social Innovation and therefore also CSR. The following sections outline this more clearly.

Social Innovation: A Broad Term

The concept of Social Innovation is becoming very much present in today’s corporate discussions in both developed and developing countries (Osburg, 2013). Osburg discusses the significant differences in the way Social Innovation is understood. While some see it as the next big thing after CSR, others see it as a new term for CSR. Still others refer to improvements in the CSR process itself as Social Innovation (Rexhepi, Kurtishi, & Bexheti, 2013). A clear definition of Social Innovation is provided by the EU Commission, as part of their new definition of CSR, announced in 2011, stating that Social Innovations are:

“... new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations” (EU-Commission, 2012).

In keeping with this, the European Business School (EBS) defines Social Innovation as ... new solutions that address societal challenges in a way that is contextual, targeted, and promotes common welfare (European Business School, 2012).

Today, innovation centers like the Australian Centre for Social Innovation, for example, no longer need to define Social Innovation in their public dissemination materials. Their website, for example, includes its mission, and
uses its visual materials to somehow imply what it is. This example suggests Social Innovation is already incorporated into society and therefore well understood, needing little explanation. Whether Social Innovation is mainstream yet or not is debatable, it is, however, being disseminated as a well-developed concept. As explained in the introduction to this chapter, the leading business schools like Harvard and Stanford were the first to create centers for Social Innovation and other universities are now following suit. From a corporate perspective, some critics query that while innovation is part of the DNA of firms, it is not yet an integral part of CSR. Googins (2013), for example, argues that the traditional role of CSR supported and supports business in areas like licence to operate and basic citizenship duties with all of its subcomponents. While this has worked well in the past, it might not be sufficient in a more complex and future world (Googins, 2013).

The Edelman (2019) survey discussed in the introduction to this book, refers to a growing and general lack of trust in the community for corporates, media, and government. This is also viewed as a part of the problem for wicked social challenges today. In addition, corporates are increasingly asked to assist with social problems. Osburg (2013) draws attention to this in the statement, with a decrease in power and resources of the public sector in many countries, business is increasingly asked to contribute to solving burning social issues, which goes far beyond traditional CSR, even for the leading companies in this area (p. 18). Many argue, however, that CSR is a good starting point for innovation and solving social problems, and provides a structure to do this, which can then become the core social mission of the business. There is also evidence that a number of key corporates are already transitioning to this journey as can be seen among those corporates selected for the Fortune 2018 Change the World list, with 57 companies listed using innovation to help the planet and tackle social problems, such as Merck, Bank of America, ABB, and Weight Watchers International. This is an area receiving increased attention. However, as pointed out in the following section, more research in this area of innovation is yet to be conducted.

Innovation and CSR: A Lack of Research

As mentioned in the introduction to this chapter, a CSR strategy or product without considering innovation is no longer viable to long-term business (Grayson et al., 2008; Kim et al., 2014). There is still much to be done, however, to make the innovation movement mainstream. Adding to this is a lack of academic research combining innovation with CSR. Some researchers have in fact noted that academic discussions of innovation hardly ever impact on discussions of CSR and are rarely discussed in combination in the literature (MacGregor & Fontrodona, 2008). This is thought to be surprising given the degree of interdependence between the two areas (MacGregor, Fontrodona, & Hernandez, 2010). This section therefore updates this research information and focuses on innovation and CSR.
Among this research are a number of papers that support discussions of impact, CSR, and innovation. An interesting research paper, for example, regarding CSR and innovation is that of Mishra (2017). He analyzed 13,917 companies from 1991 to 2006 and found that innovative firms demonstrated what they termed, “high-CSR performance”. These “high-CSR” innovative firms also enjoy significantly higher valuation post innovation. The findings suggest that firms with potential growth opportunities, defined by the number of registered patents and innovation citations, benefit by investing more in CSR activities. Hence, in this instance, innovation and CSR go hand and hand. Mishra (2017) agrees with this finding, stating: “it is beneficial for innovative firms to incorporate CSR performance into their strategies: that is, promote social responsibility to enhance the valuation effect of their innovative efforts” (Mishra, 2017, p. 303).

HP and Intel provide examples of significant Social Innovation. HP, for example, has a Global Social Innovation Group, using innovation to make a positive difference in the world. The Intel case study is mentioned throughout this book as an early example of both CSR and CSV. More research is necessary, however, to determine how often Social Innovation departments in large corporates, such as HP and Intel, can become part of the CSR department, and achieve attention from C-suite company leaders, or better still – have both CSR and Innovation dispersed throughout the corporation. Osburg (2013), for example, suggests “CSR Managers need to become Change Agents in leading the company toward transformation” (p. 20). They need to help the company realize the significance of innovation so that CSR is not just an “add on” exercise. While this is discussed in business social media mediums, there is less academic research measuring or reporting these changes. “CSR Managers needing to become Change Agents” sounds similar to the role of the Social Intrapreneur in corporations and strengthens the argument for Innovative CSR existing within CSR strategy. The role of the Corporate Social Intrapreneur in enhancing innovation is discussed later this chapter.

Continuing the theme of research examining CSR and innovation, MacGregor and Fontrodona (2008) put together a 15-month study involving 60 SMEs throughout Europe. The study built a Social Innovation model based on a conceptual understanding of CSR and innovation though presenting three hypotheses which map CSR on to innovation and vice versa. The results confirmed the importance of integrating CSR with Social Innovation. The authors found their Social Innovation model worked well with SMEs that wanted “to transform innovation chaos into formalized, sustainable value creation across the enterprise” (MacGregor & Fontrodona, 2008). The authors therefore decided that “CSR can act as an effective delivery mechanism for small company value generation” and that, for innovation “SMEs should pro-activate their CSR” (MacGregor & Fontrodona, 2008). These suggestions from MacGregor and Fontrodona (2008) are extremely important toward understanding CSR and innovation in SMEs. Future research should mirror this model to see if the findings for SMEs are similar to examining these issues among MNEs, as the concept of a Social Innovation model would be equally helpful to larger corporations.
On this note, Kim et al. (2014) examined 619 multinational firms from the DJ STOXX 600 and MSCI World indices, to examine CSR-driven innovation and the relationship between CSR and innovation activities of firms through innovative investments. In doing so, they proposed two hypotheses as follows:

1. There is a significant relationship between CSR and innovative investments
2. There are a number of significant and different effects of explore and exploit investments on the CSR activities of firms.

The researchers used the European financial rating agency Vigeo to measure CSR performance. Vigeo which evaluates CSR and risk factors for environmental, social, and governance (ESG) criteria for European firms listed on the DJ STOXX 600 and MSCI World indexes (Cavaco & Crifo, 2014). Their measure is based on CSR performance for six domains: human rights, environment, human resources, business behavior, corporate governance, and community involvement.

Kim et al. (2014) found significant effects for CSR activities on investment strategies of firms. The six CSR behaviors listed above show diverged effects according to the type of investment activities. For short-term and exploitative investments, for example, CSR activities related to human resources, the environment, business behavior, and community involvement. In contrast, human rights and corporate governance have a relationship with long-term-oriented investment. These findings suggest that understanding the connection between CSR behaviors and innovative investment activities helps understand the best way to design CSR strategies based on innovation and investment. For example, “exploitative investment” had a positive effect on the CSR variables human resource, environment, business behavior, and community involvement. “Explorative investment” also shows a positive effect on human rights, but a negative relationship with corporate governance. The result also show that CSR variables are more related to “exploitative investment” than “explorative investment”, but that “R&D (research and development) investment” is positively related with human rights and community involvement. This suggests more innovation and investment would be well spent in the areas of CSR related to innovation evolving round the CSR areas human rights and community involvement. This is a positive finding for investment in innovative SIs and social projects which, by definition, tend to be community based. Based on these findings, however, more innovation needs to be diverted to the other CSR categories or activities listed, to maximize investment opportunities. As “short-term and exploitative investments” are related to the CSR activities – human resources, environment, business behavior, and community involvement – it may or may not be beneficial to increase these investments from short- to long-term investments. This issue needs to be tested further in future research.

Meanwhile, the findings of Kim et al. (2014) overall, identify a substantial relationship between CSR and innovation activities of firms. In relation to their findings they propose that:
“...innovative investment is needed to prepare tomorrow’s profits not only by considering investments in technology and in R&D, but also by dealing with sustainability to human, social, environmental, technical, and economic investments” (p. 175).

While their findings provide an understanding of the effect of sustainable CSR management strategies on the innovation of firms, as stated above, these findings need to be replicated in future research. Future research should also examine types of innovation and Innovative CSR social projects developed under the CSR categories: human rights and community involvement, which the researchers have nominated, and examine these categories in particular in developing countries where the needs for many of these topic areas are often much greater.

‘Innovative CSR’: The Future for CSR

Preuss (2011) examined a framework for anchoring CSR in the academic literature for innovation by combining the two areas of innovation and CSR. Earlier researchers on innovation such as Roberts (2007) provides a slimmed down version of the definition of Innovation: Innovation = Invention + Exploitation. Preuss (2011) then combines the definition of innovation with a CSR definition to create a term for Innovative CSR:

“Innovative CSR = design of novel ways of addressing social and environmental concerns + integration of these into business operations and interactions with stakeholders” (Preuss, 2011, p. 42).

This suggests that normal and routine CSR conducted in novel and innovative ways would allow an opportunity to combine the two fields of CSR and innovation. To operationalize this, Preuss (2011) extends the 4Ps of innovation by Francis and Bessant’s (2005) framework, to combine CSR and innovation as follows:

- CSR P1 Innovation in CSR project content
- CSR P2 Innovation in CSR processes
- CSR P3 Innovation in CSR positioning
- CSR P4 Innovation in the CSR paradigm


Many companies are already incorporating these types of innovation into their CSR strategy; however, Preuss (2011) provides a framework to study this in the academic research literature. At the same time this methodology provides examples of innovative corporate case studies. These are listed below:
The CSR P2 example above includes “collaboration” and partnering, as a key component of innovation and also the sustainable development goals (SDGs) (i.e., goal 17, partnerships for goals). The SDGs and their individual goals are discussed further in Chapter 3. The CSR P4 example above is an interesting example of innovation, and in this case positioning, and is a good example of the way forward to future mainstreaming of CSR through Innovative CSR. The above P4 examples should therefore be considered as interesting examples to study in future research.
Making sense of CSR from the starting point of innovation as Preuss (2011) suggests, may help managers and scholars consider why some approaches to CSR are fragmented and often disconnected from business and strategy (Porter & Kramer, 2006; Preuss, 2011). As mentioned previously, focusing on Innovative CSR would suggest CSR could be used as a safe starting point, to develop CSR SIs or social projects under the umbrella of CSR strategy which a corporation can deliver, but with an innovative twist. Implementing this under CSR will also promote knowledge creation and learning, to promote innovation further into the corporation and provide examples and suggestions to further current CSR SIs and social projects in the innovation domain.

Previous research has suggested that the SIs or social projects should be an integral part of CSR strategy and the corporation’s core business (Munro, 2013b). This refers to the concept that CSR must become so interwoven into everyday activities it eventually becomes part of the company’s identity (Berger, Cunningham, & Drumwright, 2007). That is how micro SIs and macro social projects can become recognized under the CSR umbrella if they become integral to the company. Being more innovative with these SIs and social projects will enhance and mainstream Innovative CSR more rapidly. Whether CSR can be made more mainstream through Innovative CSR needs to be assessed in future research. There are several ways of doing this. Future research should examine CSR strategy utilizing the 4Ps that Preuss (2011) mentions for Innovative CSR (including innovation in CSR project content, processes, positioning, and paradigm), and test for the prevalence of their use in a corporation’s CSR strategy. Future research could also examine SIs or social projects which are innovative rather than static and determine if it is safer or less risky to develop these initiatives, as innovative projects under the umbrella of CSR strategy. The knowledge of a high success rate of allowing an enterprise to set-up an innovative pilot under the safety net of the organization’s innovative CSR program, before allowing it to go mainstream, would inspire more social entrepreneurs to work with corporates and vice versa.

Innovation in Developing Countries

Organizations in developing countries come from economies that do not often have the facility for large-scale R&D departments or the investment capabilities to develop departments specifically to conduct innovation research. Companies are therefore likely to rely on other ways to combine existing technological knowledge with changing market conditions to create advantage which is different from their competitors (Nguyen & Hipsher, 2018). This is therefore a complex exercise. It may also mean they are more likely to rely on innovators of an entrepreneurial nature or rely heavily on Social Innovation, as this relates to the social and community needs already existing in developing countries (Munro 2013a, 2017). However, it would also appear that innovation in developing countries is likely to happen in self-made enterprises or in fact more often in very small enterprises, such as micro-enterprises. While much of the academic literature on innovation and the example case studies
focus on technology firms in developing countries as a means of innovation, it would seem that innovation is also an important factor in determining economic success in developing countries. It may also be a different type of innovation, while technology, IT, and the innovative digital examples are the most often portrayed examples in the literature and social media. A very different picture emerges when we examine innovations under the restriction of limited resources in developing countries. This is therefore an important emerging opportunity to pursue in future research.

The developing country setting therefore is an interesting context to consider for innovation research. Fajnzylber, Maloney and Rojas (2006), for example, report that developing countries have a higher percentage of business activities which take place in an “informal economy” by self-employed micro-entrepreneurs. This very much changes the support structures that are required and needed, and also the type of innovation. MNEs based in host countries in developing countries can support this type of innovation by developing micro-entrepreneurs and upskilling them to take on the task through projects related to their SDGs and SIs embedded in their CSR strategy.

A key point made here in relation to this is by Duflo and Banerjee (2011). They state that unlike many entrepreneurs in developed economies (starting a new business by a desire for a different type of financial reward), most micro-entrepreneurs in developing and less developed economies are forced into becoming entrepreneurs because of lack of quality paid employment (Duflo & Banerjee, 2011, p. 225; Hipsher, 2010, 2012; Nguyen & Hipsher, 2018). This is therefore a primary innovation starting point which could be supported by MNEs hosted in the home country of these micro-entrepreneurs.

In developing country situations, research suggests that micro-enterprises have limited access to “innovative and effective business practices” due to the owners’ own limited skill base, lack of knowledge, and limited finance (Nartisa, 2012). This is thought to result in businesses which lack differentiation (and therefore innovations per se) and have difficulty achieving sustainable levels of profits (Banerjee, Duflo, Glennerster & Kinnan, 2013). As mentioned above, this could, however, be supported by corporates in these countries under the umbrella of their Innovative CSR strategy.

The findings by academics researching in this area suggest that innovation which exists primarily in micro-enterprises in developing economies is likely to take on a significantly different meaning than a high-tech company in a developed economy, but is of equal importance in the study of innovation, and the transition of CSR to Innovative CSR. This area of research is an excellent opportunity for future research as the innovation scene begins to take off through millennial changemakers in both developed and developing countries. Future research should examine innovation in these settings and the significance of it to CSR within these settings.

**Innovation for Competitive Advantage**

Innovation plays a significant role in creating a firm’s competitive advantage. Reed and DeFillippi (1990) argue there is a direct correlation between innovative
development of a business and gaining competitive advantage. This can be examined through value creation. While many business graduates understand value creation, it is important to redefine it here to determine its value within an innovation setting. The following quote provides a traditional definition of value creation:

“Creating value for customers helps sell products and services, while creating value for shareholders, in the form of increases in stock price, insures the future availability of investment capital to fund operations. From a financial perspective, value is said to be created when a business earns revenue (or a return on capital) that exceeds expenses (or the cost of capital)” (Reference for Business, 2018).

However, many analysts believe a broader definition for value creation is required which is separate from financial measures. For example, Sarmah, Islam, and Rahman (2015) state MNEs are engaged in value creation with the community through supporting CSR programs. These programs ensure maximum stakeholder participation in value creation processes, especially in the selection, design, and delivery of such programs (p. 314). Innovation is a part of this; however, due to the many stakeholder types and differing expectations, companies often face difficulties due to the lack of knowledge of their host communities. This is especially the case in developing countries where host countries are foreign territories for MNEs (Munro, 2017; Munro et al., 2018). Some say, “companies are trying to go beyond their CSR activities by proactively working with community to achieve corporate sustainability goals” (Sarmah et al., 2015, p. 315). This has increased in recent years with the expected uptake of SDGs and the rapidly approaching target completion for SDG implementation by 2030. Much of this involves collaboration with stakeholders, including governments, NGOs, development banks, and multifacting international actors across borders.

Co-creation and collaboration are solutions in aligning CSR programs with the need and expectations of stakeholders to achieve maximum benefit. To do this companies are devising action plans in consultation with internal and external stakeholders while exploring, creating, and delivering value to society (Clarkson, 1995). This can also be co-created in interaction with other parties (Ramaswamy, 2008; Sarmah et al., p. 31) and completed in an innovative setting. This is discussed further in the following section.

The Evolution of Innovation: Toward Collaboration and Co-creation

Before continuing to the different types of innovation, this section acknowledges the research literature examining the “evolution of Innovation” within business organizations. Lee et al. (2012), for example, refers to innovation evolving in three set stages. They refer to closed-innovation, where innovation happens purely within the organization. With the development of the global market, relying on self was the less accepted norm and new forms of interorganizational
collaborative partnerships, alliances, and joint ventures arose. Lee et al. (2012) refer to this as collaborative-innovation.

With the rise of the global economy and the invention and development of the Information Communications Technology (ICT) industry supporting worldwide knowledge sharing, Chesbrough (2006) termed open-innovation as an inside-out and outside-in collaborative innovative effort for value creation. Lee et al. (2012) describe this as the building of a world-class value chain through a new innovation ecosystem where various complements can be combined into coherent value creating solutions seamlessly on collaborative arrangements (p. 824). Hence this combined the organization’s own competencies of creativity with those of external expertise and the words “Innovation Ecosystem” appeared. This occurred around the same time as the introduction of the SDG framework when an emphasis on collaboration with support from external expertise and organizations also occurred. CSR is therefore increasingly operating within wider and more innovative ecosystems.

As part of this, with the rise of social networks and collective intelligence, we increasingly use social technologies to get what we need for or from individuals. The last stage referred to by Lee et al. (2012) is an open-innovation system called co-innovation. The co-innovation platform is built on the “convergence of ideas, collaborative arrangement, and co-creation of experience with stakeholders” (Lee et al., 2012, p. 824). Here, co-innovation refers to the collaboration of ideas and people, through finding solutions to new products, services, or ventures right through the value chain (Lee et al., 2012).

Research studies tend to agree that “building a co-innovation enterprise is not simple. It requires a new innovation culture, strategic vision, courage, direction, and sense of urgency” (Lee et al., 2012). However, many researchers are stating a corporation’s needs are not only to help develop the new ecosystem for society’s needs but also for an organization’s competitive advantage. Therefore “co-innovation” is important. It is also an excellent opportunity for future research as much of this work requires a theoretical foundation to firmly establish the concept of co-innovation in the literature and then complete empirical research to determine the key success factors and outcomes of it.

Lee et al. (2012) have created a model which ties together co-innovation and CSV across new products and services, a new customer base, efficiency in the value chain, and creating new business models. However, Lee et al.’s (2012) theoretical model places co-innovation at the center as a co-innovation platform. Value is then created through five value creating avenues. These are based on convergence, collaboration, and co-creation with partners (Lee et al., 2012). In this process authors often focus on co-creation as a key avenue toward innovation, which of course also involves collaboration.

As has been published in academic papers, numerous conferences, and business commentary sites, “doing good is not enough” – it needs to be scaled up and made sustainable and this also requires collaboration. Osburg (2013) adds the collaborative part to the equation by adding the term Open Innovation to Social Innovation. He describes this as “a close collaboration of knowledge sharing inside and outside the firm” and that this is crucial for success. Further he states “apart from Governments, private firms, and various NGOs, it is mainly the
Social Entrepreneur who can become a strategic partner for the private sector by creating shared value” as part of collaboration (Osburg, 2013, p. 21). A large part of collaboration is the act of co-creation.

In relation to this, Prahalad and Ramaswamy in the late 1990s began discussing the importance of co-opting customer competence when developing new products and services, and also experiences (Prahalad & Ramaswamy, 2000). They went on to discuss how companies had to learn to “co-create” value with customers. Together, they wrote The Future of Competition, defining the implications of the shift in modern society toward the centrality of individuals and their human experiences (Prahalad, Ramaswamy, Fruehauf & Wolmeringer, 2004). This led to the discussion of digital and consumer relationships in terms of co-creation, whereby interactions are more important than activities. This then led to a later paper defining co-creation as follows:

“Co-creation is the process by which products, services, and experiences are developed jointly by companies and their stakeholders, opening up a whole new world of value. Firms must stop thinking of individuals as mere passive recipients of value, to whom they have traditionally delivered goods, services, and experiences.” (Ramaswamy, 2009, p. 11)

Following the definition of Ramaswamy (2009) it was suggested that organizations did in fact stop thinking of individuals as mere passive recipients of value, and instead, “seek to engage people as active co-creators of value everywhere in the system” (p. 11). Further, Ramaswamy (2009) explains that “the conventional firm-centric view of value creation has expanded beyond the activities of the firm toward one whose locus is now a function of interactions anywhere in the system – underpinning the new source of value (the ‘where’ of value creation).” The “where” being anywhere and therefore the opportunities vast. He provides two examples of this: Nike+ and Caja Navarra (a bank in Spain). These are discussed further below.

“Where” is Anywhere – Nike Partnerships with Apple and Customers:

The Nike+ “experience” kit consisting of a wireless device that transmits speed and distance information from a sensor-equipped Nike running shoe to an iPod Touch or special wristband. Then, through the website “nikeplus.com” runners can track their progress, set personal goals and challenge friends to races. As of June 2009, he quoted over a million runners uploading 130 million miles. Increasing Nike’s market share with increased revenues through the Nike + ecosystem, in partnership with Apple and others.

Source: Adapted from Ramaswamy (2009).
This is a very early example of a partnership involving innovation through co-creation and collaboration for a customer’s better health. Since 2009, many other innovative examples, also within an organization’s CSR strategy (or shared value approach), have occurred on the market to assist those who are impoverished or without regular Internet connection, for example, but when innovatively assisted they also become a customer. Providing Internet and mobile phones for customers to be able to have a bank account in Kenya is an example often used in this setting. However, the Nike + example illustrates the shift beyond products and services to “human experience environments”, not a visual 3-dimensional experience at this stage, but an IT innovation, nonetheless.

Further to understanding the incorporation of innovation within CSR strategy, it is important to explain “human experience environments” such as the Nike + example further. Ramaswamy (2009), explains that human experience environments:

“...embody interactions of individuals with each other and with the company and its network partners’ products and artefacts, places and spaces where interactions take place (whether online or offline), and interactions with the company and network partners’ business processes” (Ramaswamy, 2009, p. 12).

This refers to partnerships and “collaborations” which are part of innovative CSR strategy and CSV examples, as discussed in Chapter 4. As explained for the Kenyan mobile phone example above, while the initiative increases the market share for Nike it also increases the health of the purchaser of the Nike shoes. However, it is most certainly a “co-creation” example, as customers further have an opportunity to co-create their own experience with Nike partners.

The Caja Navarra bank example in Spain provides an example of innovating co-creative engagement platforms as part of CSR community or SI. This is also an example of interactions of innovation and engagement across a platform and a human experience environment.

Engaging Customers as Innovation Platforms – Caja Navarra bank:

Caja Navarra bank is traditionally a regional not-for-profit bank designed to support its local communities through social contributions. Ramaswamy (2009) explains that it is “based on a dual financial and social mission, with part of its profits allocated for society’s development and well-being.” Their campaign “You Choose: You Decide,” allows customers to specify their preferences among seven initiatives of social actions supported by the bank. Customers’ credit cards are then personalized to show their choices, reinforcing their identification with the initiative and generating a strong emotional connection. By
This is a similar case study example to the Bendigo bank who won an Australian Shared Value Award in 2017 for their innovative shared contributions to community SIs through customer choice. Stated as a shared value example, this further illustrates the overlap of terms with collaboration, co-creation, innovation, CSR, and CSV. As expressed by Osburg, collaboration and co-creation is important to the social enterprise and is a large part of the methodology used in business models for social enterprise start-ups. Many of these innovative initiatives are supported by corporates as part of their CSR programs. This leads us to a discussion on social entrepreneurship and the inclusion of social enterprises and Social Innovation in CSR strategy.

Defining and Understanding: Social Enterprise, Innovation, and Social Entrepreneurship

One of the best explanations with regards to Social Innovation and social entrepreneurship is the research and writings of Drucker (1985). He confirms innovation lies at the heart of entrepreneurship and adds that “this is irrespective of context (i.e., public, private or third-sector organisations)”. Innovation, therefore, is seen as fundamental to social entrepreneurship, and as an entrepreneurial activity undertaken for a ‘social purpose,’ changing the way social needs are addressed. In contrast, social enterprise represents a business established for a ‘social purpose,’ to create positive social change (Luke & Chu, 2013). Although seemingly different, the terms are often used interchangeably as they are also similar: “both blur the boundaries between for (profit) and not-for-profit activities and combine commercial activities with social objectives” (Chell, 2007; Mair & Marti, 2006, cited in, Luke & Chu, 2013, p. 764).

Researchers, however, often examine these terms separately to create better understanding of each. The term “enterprise,” for example, is associated with commercial business activity (Chell, 2007; Dart, 2004). The term “entrepreneurship” is associated with opportunity identification, innovation, and risk (Shane, 2003; Venkataraman & Sarasvathy, 2001), and bringing something new to the market (Davidsson, 2006; Luke & Chu, 2013). Historically, “entrepreneurship” was recognized as the basic engine that gives rise to new ventures – the driving force behind the dramatic growth and development of the business sector (Austin et al., 2006, p. 169). Developing from this is an accepted full definition for ‘social enterprise’: “A 'social enterprise’ is an organisation that exists for a social

An accepted definition that combines both concepts is as follows:

“Social entrepreneurship is the way of using resources to create benefits for the society while the social entrepreneur is the person who seeks to benefit society through innovation and risk taking” (Tracey, Phillips, & Haugh, 2005).

More recently, further definitions of social entrepreneurship have been provided by the European Commission (2014) who include social impact as a development within their 2011 definition of CSR:

“A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities” (European Commission, 2014).

Luke and Chu (2013) throw an interesting light on the difference between social enterprise and social entrepreneurship and have backed this by research. They examined 10 non-governmental organizations. Their findings on social enterprise revealed a focus on the ‘purpose’ of social business, while findings on social entrepreneurship revealed an emphasis on the ‘processes’ underlying innovative and entrepreneurial activity for ‘social purpose.’ The implications of this type of research allows an understanding of the action to achieve social change, and the risk when outcomes are not achieved. This is a considerable opportunity for future research. In particular, research should explore strategy within social enterprises, to consider ways to financial sustainability to address long-term sustainable social change and to measure social impact as part of this. Luke and Chu (2013) also touch on issues surrounding the potential collaboration of social enterprises with corporates delivering CSR. This is discussed further in the following section.

Social Entrepreneurship and CSR

The research of Crisan and Borza (2012) examines how social entrepreneurship and CSR are related and interconnected. They quote:
“Corporate Social Responsibility (CSR) brings many benefits being considered an important lever in supporting social entrepreneurship (Austin et al., 2006). Also, CSR has a significant role in the social value creation process for both, businesses and social purpose organizations” (Crisan & Borza, 2012, p. 106).

Crisan and Borza (2012) in their discussion of social entrepreneurship refer to CSR policies as “business decisions” that surpass economic and technical initiatives of the organization. They also refer to CSR initiatives as major activities undertaken by a firm in order to sustain social causes and to fulfill its commitment to CSR. They provide the following examples: health (assisting AIDS and cancer causes), safety (crime prevention), education (education for those in need), job creation (training practice), environment (recycling), economic and social development (low interest loans for purchase of apartments), and other basic human needs and desires (combating hunger, poverty, discrimination) (Wills, 2009, cited in Crisan & Borza, 2012, p. 106). While acknowledging that CSR is important to supporting social entrepreneurship, Crisan and Borza define them separately, with CSR policy being particularly important to the process: CSR policies help firms to fulfill economic and social responsibilities ensuring wellbeing and social welfare (Hockerts, 2007). CSR policies can be considered as being companies’ commitment to improve society through business practices (Kotler & Lee, 2005) (cited in Crisan & Borza, 2012, p. 106).

As part of their research, Crisan and Borza (2012) refer to the social entrepreneurship definition by Tracey et al. (2005). Tracey et al. (2005) focus on corporate social involvement (CSI), defining CSI as investing in collaborations and partnerships “with non-profit and public sector in order to create healthy and favourable conditions, targeting both, community and business” (Crisan & Borza, 2012, p. 106). From their research analysis, Crisan and Borza (2012) conclude that social entrepreneurship is the field that allows observation of how social problems can be solved in a sustainable way. They view social entrepreneurship as the interaction between NGO and other organizations (including corporates), through CSR, CSI, and sustainable and independent activities. They suggest that with these types of collaborations with the private sector (who have the experience and ability to develop the commercial side of social organizations), social outcomes can be successfully created.

Crisan and Borza (2012) reached their conclusions after examining 394 enterprises. Their final conclusion acknowledges that social entrepreneurship can be sustained by companies through CSR (partnership, collaboration, and founding an organization with a social mission). They also suggest CSR and social entrepreneurship have distinct conceptual approaches, but CSR can assist with greater recovery of social opportunities (Crisan & Borza, 2012). It would
therefore make sense for corporates to be conducting social entrepreneurship projects as part of their CSR social strategy, and this may garner them strong support from stakeholders, and the millennials and collaborators involved in these projects. This is an important area to examine further and provides extensive opportunities for future research integrating CSR, Social Innovation, and social entrepreneurship.

Confirming this perspective is CSR research Professor and guru, Archie Carroll, who discusses social entrepreneurship in relation to CSR. He expresses social entrepreneurship as:

“…the process of pursuing solutions to social problems while using time-tested business principles to help achieve total organizational success” (Carroll, 2015, p. 94). Further Carroll states, social entrepreneurship may occur in either for-profit or non-profit organizations: “Non-profit social entrepreneurs are primarily interested in achieving positive social change as their primary mission while needing to generate acceptable financial returns to sustain the enterprise. For-profit social entrepreneurs’ factor in and integrate social objectives in their business missions from the very beginning.” Carroll (2015, p. 94)

Carroll (2015) then provides CSR-based examples of for-profit corporations who have followed a social mission excellence with financial excellence. These very early examples include: The Body Shop, Ben & Jerry’s Ice Cream, Whole Food Markets, and Tom’s of Maine. There is, however, a plethora of additional examples developed in recent years, and this is an opportunity for future research to integrate these examples of CSR-based Social Innovation and social entrepreneurship projects, through systematic literature reviews, to determine the strength of these examples.

Carroll’s (2015) definition above also focuses on the nonprofit social entrepreneur contrasted with the for-profit social entrepreneur. This provides an opportunity to examine how corporations can support social entrepreneurs under their CSR strategy. In doing so, it is important to acknowledge that social entrepreneurship has an external and internal role. The role of the internal social entrepreneur, for example, is to identify social problems inside the company and to solve them in order to reach SDG targets (Amelio, 2017; Drayton, 2002). This internal role is more often labeled social intrapreneur; however, there are a number of preneurs to consider, and these are discussed below.

The Evolution of the ‘Preneur’: From Social Entrepreneur to Corporate Social Entrepreneur and Corporate Social Intrapreneur

This section discusses what is considered to be the offspring of social entrepreneurship; that is, CSE and CSI. To understand the evolution and integration of
these terms, for corporate entrepreneurship (CE) contrasted with social entrepreneurship, it is first necessary to understand that traditional approaches to management were not as innovative as the new ventures which are appearing today. Corporate managers therefore attempted to bring more innovative and entrepreneurial initiatives into their organization through CE which was aimed at finding market opportunities and then later repeating this in the social sector as social entrepreneurship grew to encompass CSE, as portrayed in the extract below:

“…‘corporate entrepreneurship’ is aimed at spotting and redefining market opportunities through innovative strategies, processes and organizations that would generate new competitive advantage. Parallel to this trend, the social sector saw the emergence of the practice of ‘social entrepreneurship’, which aimed at achieving greater social impact through innovation and adaption of the discipline and tools from the business world in support of a social mission.” (Austin et al., 2006, p. 169).

A further definition of CE is provided by Covin and Miles (1999) as the presence of innovation with the objective of rejuvenating or redefining organizations, markets, or industries in order to create or sustain competitive superiority. In parallel, the concept of social entrepreneurship emerged (Austin and Reficco, 2009). Dees (1998), for example, defined social entrepreneurship as innovative activity with a social purpose in either the private or nonprofit sector, or across both. CSE was then born to integrate and build on these concepts (Austin and Reficco, 2009).

Adding corporate to entrepreneurship suggests that CSR is possibly a complementary theme or part of corporate entrepreneurship. Further, Googins and Rochlin (2006) comment on this evolution: “What is clear is the widespread agreement on the need for a more active and strategic citizenship” within CSR. As part of this following, the concept of corporate social entrepreneurship (CSE) began to gain more acceptance (Austin & Reficco, 2009).

The term corporate social entrepreneurship (CSE) was first used by Hemingway (2004) over 15 years ago in a paper published with her dissertation; however, it is yet to be fully accepted as a separate field from social
entrepreneurship, CE, and CSR (Hadad & Cantaragiu, 2017). The term is believed to have evolved from CSR, with early beginnings as philanthropy, which some authors referred to as social entrepreneurship (Ostrander, 2007). CSR proponents may find this association with CSR through philanthropy hard to accept, as the full definition of CSR is not just philanthropy. Philanthropy is just one component of CSR which has since evolved to include more active and innovative SIs, and should be expressed as such.

The term corporate social entrepreneurship has numerous definitions. Hadad and Cantaragiu (2017) systematically gathered together all existing definitions and listed the following themes for a corporate social entrepreneur:

(a) an employee in a corporation
(b) promotes a socially responsible agenda to be achieved alongside business profits
(c) solves social problems


Hadad and Cantaragiu (2017) also state the themes and description of the corporate social entrepreneur listed above can be applied to describe the companies that act as corporate social entrepreneurs. There is also an emphasis on social responsibility and solving problems, but with the addition of the word ‘entrepreneur.’ This suggests a more active role from the top-down. It also removes the word “responsibility” from its label, which Carroll (2015, 2018) describes as a way to make terms like sustainability and corporate citizenship more “palpable” for corporations and the general public to accept.

Like all entrepreneurship, CSE involves opportunity and innovation. However, unlike either CE or social entrepreneurship, CSE is more about mobilizing internal and external resources in order to generate both economic and social value (Austin et al., 2006). CSR proponents consider CSE under the umbrella of CSR through the development of social projects at a level that measures impact and the benefits for beneficiaries of social projects. Austin, Leonard, Reficco, & Wei-Skillern, 2005 (and Austin et al., 2006), therefore, define CSE as:

“…the process of extending the firm ’s domain of competence and corresponding opportunity set through innovative leveraging of resources, both within and outside its direct control, aimed at the simultaneous creation of economic and social value.”

What is interesting about this definition is the acknowledgment of innovation as an entrepreneurial feature in the simultaneous creation of economic and social value. While the simultaneous creation concept is an aspect of CSR, it is emphasized often more fully in the CSV literature but shows the similarity between these two terms. Overall, the authors, Austin and Reficco (2009) state that the fundamental purpose of CSE is to accelerate a company’s transformation to be better generators of doing societal good, but no real statement of how to do this is given.

With regard to the list of features above for the role of the corporate social entrepreneur, which can also define the company’s role in CSE, this is considered
similar to the definition of corporate citizenship which is also acknowledged by both the person and the company, as explained in Chapter 1 and Chapter 2. It may also be possible that an individual in the role in CSE can achieve both roles in an organization: CSR and CSE, while pursuing social projects under the umbrella term of CSR. The examination of these roles and their crossover is an excellent opportunity for future research. Also, the examination of the frequency of the prevalence of the CSE term and role in companies is necessary, as past researchers have found a lack of research published on the term, with some researchers suggesting limited uptake of the term by corporations.

In addition, research studies state the only publicly available guidelines enabling organizational CSE was drafted by Crets (2012) and focuses on environmentally sustainable business, recycling, and reducing waste (Hadad & Cantaragiu, 2017) rather than the social side of sustainability and entrepreneurship. Historically, this meant there was less mention of the social aspects and social challenges in the definitions for CSE, as listed above. This leaves a substantial gap in the literature and an excellent research opportunity to explore. The role of the CSE individual in companies mentioned above leads us to a discussion of a second role within companies – the corporate social intrapreneur.

The Relationship of Corporate Social Intrapreneurship to CSR

As previously mentioned, the offspring of social entrepreneurship is CSE and CSI. Looking at the origins of social intrapreneurship, the term intrapreneurship is thought to have been created in 1978 by Gifford and Libba Pnchot. However, it is clear it was not fully taken on board at that time. More recently, Mair and Marti (2006) refer to social intrapreneurship as social entrepreneurship in a new or already established organization. Carroll (2015) takes a similar slant, with the statement, “Social intrapreneurship includes firms that did not have a social agenda as part of their initial charter, but later developed a highly visible social agenda” (Carroll, 2015, p. 94).

Other authors associate the term with the role a person takes on board within a company, working from within, regardless of whether a social agenda exists already or not. There is a sense of this in the second part of Carroll’s definition, where he also associates the work of the social intrapreneur with CSR and cites some early examples of this in the literature:

“Social intrapreneurs work from within companies to advocate social programming that addresses social or environmental challenges. Companies that illustrate this category might include Timberland, Starbucks, Microsoft, Patagonia and others. Through innovation and risk taking these firms have become high-profile exemplars of CSR and sustainability and their numbers are increasing” (Carroll, 2015, p. 94).
Elkington and Love claim to have been the first to coin the term in 2008, when they published *The Social Intrapreneur Report* (Hadad & Cantaragiu, 2017). Their previous research on social entrepreneurs and their connections with already established social entrepreneurs, such as Accenture, Banco Real, Coca-Cola, Ford, Morgan-Stanley, and Nike, assisted this work. As part of their findings, they state intrapreneurs: “were still struggling to find a common identity, even if they share(d) a common purpose” (Grayson, McLaren, & Spitzeck, 2011, p. 1). It is widely acknowledged that giving a name to a social phenomenon gives people the resources necessary to unite and construct a self-identity. This identity can then be easily understood and accepted by others also seeking an identity or a group to identify with (Munro, 2017).

In relation to this and from the perspective of the identity of a social intrapreneur, the research of Grayson et al. (2011) in this area emphasized there are people who present themselves as “social intrapreneurs” in their professional CVs and seek to find “others” of the same kind to unite forces and share personal experiences with. Social media is very good for this. To make their point, the authors provide some early examples from social media sites, for example: socialintrapreneur.weebly.com (the personal page of James Espiritu); plus the Skoll World Forum 2013 participants: Regula Schegg, Strategic Business Developer for Hilti Foundation; James Inglesby, Category Manager for Unilever Nigerian and Co-Founder of Clean Team Ghana, to name a few (Grayson et al., 2011).

The authors concluded that “social intrapreneurs” are constructed through various research papers or articles about themselves on social media (Grayson et al., 2011). This industry area has moved on significantly since 2011, hence this provides an excellent opportunity for future research to further define social intrapreneurship and social entrepreneurship through an examination of different resources from practitioners and academics alike, including the many different sources through current social media.

**Bringing ‘Change’ through Innovation and ‘Preneurship’**

For Innovation and Entrepreneurship to be powerful enough to bring about ‘change’ in the social world, it needs to differentiate between other types of research and different kinds of people or ‘Preneurs’. Social *intrapreneurs*, for example, are contrasted with social *entrepreneurs*, and also their employed counterparts working in CSR departments or acting as corporate volunteers or “green” team members. Their distinctive nature, as defined by Hadad and Cantaragiu (2017), comes from defining two dimensions: one, social intrapreneurs act within already established business boundaries, and two, they are focused on bringing profits to their companies (p. 261).

More specifically in *The Social Intrapreneur – A Field Guide for Corporate Changemakers* the social intrapreneur is defined as:

“a) someone who works inside major corporations or organisations to develop and promote practical solutions to social or
environmental challenges; b) someone who applies the principles of social entrepreneurship inside a major organisation; c) one characterised by an ‘insider-outsider’ mind-set and approach” (SustainAbility, 2008, p. 4).

Confirming this, Hadad and Cantaragiu (2017) summarise the prerequisites of the social intrapreneurship as: employee, corporation, and solutions oriented toward social and environmental challenges and progress. Some definitions also include, “disruption” terminology which is extremely important in the ‘be the change’ movement and the innovation setting. This is referred to in the definition below:

“…the social intrapreneur is an employee who uses corporate politics to get disruptive ideas to market and to more customers sooner, with greater environmental or social impact. Synthetizing the already designed definitions, we identify a social intrapreneur as being an employee who leverages corporate politics to come up with a practical/innovative solution to a social problem to create social value and profits. As for social intrapreneurship, this is the action of a social intrapreneur who seeks to outreach the community in order to blend societal and business values as to address social challenges” (Hadad and Cantaragiu, 2017, p. 262).

“Disruption” as listed in the quotation above can refer to disrupting the current system, the capitalist system, of how we operate and do business. It is also an acknowledged part of the integrated values system approach coined by Visser (2014) which includes disruption as one of the five forces of his fragmentation framework, where Disruption refers to any instability that threatens human life, safety, and security (Visser, 2018, p. 7). However, here we refer to it as people disrupting the system, with activism on social media and/or to disrupt the way institutions or events are run and how policies are implemented. The “disruption” Visser refers to also makes sense when he includes five types of “innovative solutions” in his concept, one of them being the production of Secure innovations to lower risk and aid recovery from threats and disruptions and ensure continuity in society. Visser’s approach is explained further in Chapter 6.

To understand the connection between social intrapreneurs, social entrepreneurs and innovation within a CSR context, it is important to note this involves a level of risk-taking, as mentioned in the quote from Carroll below:
“Social intrapreneurship includes firms that did not have a social agenda as part of their initial charter, but later developed a highly visible social agenda. Social intrapreneurs work from within companies to advocate social programming that addresses social or environmental challenges.” (Carroll, 2015, p. 94).

Again, numerous researchers like Carroll have recognized innovation and intrapreneurship are significant parts of CSR social agendas. This topic area is therefore a significant opportunity for future academic research to look at social entrepreneurship and intrapreneurship within a CSR context, including the different job roles in each speciality and the overlap between roles that exists. In particular, there is a need to update research on corporates in this area as many of the case study examples such as Timberland and Starbucks, referred to earlier by Carroll (2015), are outdated and overused in the literature. In addition, the idea of “risk-taking” is probably less daunting in the current ‘change movement’ evolving in society today, and needs to be further researched with newer examples in the current context.

Millennials and the Social Enterprise Movement

As mentioned above, there has been a mainstream movement toward the development of social enterprises to co-create and deal with wicked challenges and create ‘change’ in society to solve social problems by seeing these problems as challenges and as an opportunity, and then providing an opportunity through a business idea or social enterprise. Millennials (as defined below) are particularly interested in making change and taking control of their own destiny. In addition, the growing social movements described in Chapter 1 lean toward conscious capitalism, ‘purpose,’ ‘change,’ innovation, collaboration, and social entrepreneurialism in the business sector and general community and are generational and necessary.

From a research perspective, it is important to define the millennial age range and their perspective and current mindset relative to this. Millennials are defined by their birth years between 1981 and 1996 (aged 23–38 years old in 2019) and are in the current workforce. Generation Zs were born between 1997 and 2012 (aged 7–22 years old in 2019) with the oldest in the range, in the workforce or just entering it (Mental Floss, 2018). Their interests are clearly in business for ‘purpose,’ ‘be the change,’ and the social entrepreneurialism spheres, and university curriculums are adapting to accommodate this. Next up
is Generation Alpha born from 2010, same year as the iPad, with instant access to information and innovation – they will enter a very different world and workforce.

Millennials and Generation Z (henceforth referred to as millennials), a large part of the current workforce, will play a key role in innovation going forward and this includes what happens in CSR. Research by Howe and Strauss (2000) reveals millennials as optimists, cooperative, and civic minded. It is expected they will demand that employers adjust to their needs and build careers and families at the same time. Fair Play on pay and benefits will also be at the forefront (Howe & Strauss, 2000; Reavis, Tucci, & Pierre, 2017). It is also expected that millennials will demand changes focused on their needs, and as activists they will seek to influence community, political, economic, and environmental issues (Howe & Strauss, 2000; Reavis et al., 2017). As previously mentioned in earlier chapters, millennials are looking for things to support because they want to feel like they’re making a ‘change’ in the world. They will also ‘change’ the corporate culture they move into and/or run their own companies shaped by ‘change’. They will as a priority want corporations to have a social conscience (Sharp, 2014) as an overriding feature, and more specifically, the same social conscience as them.

Looking back at the desires of millennials and their support for common good, authors of various studies support the prediction of Howe and Strauss (2000). That is: “as millennials continue to age and rise in organizations; social, political, and business institutions will be challenged” (Reavis et al. 2017, p. 82). Further research such as The Millennial Impact Report (2017) reveals millennials do not have much trust in government to do what’s right. Instead, they put more faith in themselves to create “the change” they want to see (The Millennial Impact Report, 2017). The report confirms millennials are an invigorated generation for social causes and are interested in issues at the macro level, consistently identifying education, wages, health care, employment, and the economy as the areas of most concern to them. They act, however, at the micro level, getting engaged primarily with issues that are or have been close to their personal lives. They do not see themselves as activists like their parents, but as “everyday changemakers” (Case Foundation, 2017). Large expectations perhaps, but this is also at the heart of CSR and at the heart of innovation. With millennials expected to create their own jobs in the future, and their vision as ‘changemakers’, the business model for start-ups and social enterprises therefore makes sense. However, millennial and Generation Z aged students need an understanding of CSR and how corporate businesses operate alongside a start-up business, as many corporates are embracing the opportunity to support social enterprises along their supply chain or as part of their CSR social projects and SIs. Corporates working with social enterprises is discussed in the following section.

In the interim, the university curriculum for learning how to set-up a social enterprise involves learning how to solve wicked challenges. As mentioned in the beginning of this chapter, many universities have set-up centers with social hubs and labs to create start-up social enterprises and attract the interest of millennials. The Yunus Social Business Center, for example, recently set-up at Griffith University and at La Trobe Business School in Melbourne, Australia was mentioned
earlier. These centers, in general, aim to drive systems change through social entrepreneurship and enterprise, where research and teaching is focused on the field of social enterprise, entrepreneurship, and innovation. This is a large opportunity for universities, but it is also an opportunity for corporates to grow their network, resources and strategy.

Corporates, Millennials, and Social Innovation

As corporations, particularly MNEs, work primarily in and across global markets they undoubtedly come across deep and complex problems. As mentioned earlier, these multidimensional type problems for corporations can involve global challenges such as the earth’s limited natural resources (Lindahl & Widén, 2015; Waddel, McLachlan & Dentoni, 2013; Rockström, Steffen, Noone, Persson, Chapin III, Lambin, 2009; Waddock, 2012), and also social problems such as famine, extreme poverty, and consequently a lack of physical resources and education. These types of complex and difficult problems, referred to here as wicked challenges, are examined within a CSR context. Businesses taking on board wicked challenges existing in society and developing solutions to solve them at scale, and with meaningful impact that can be measured, is part of CSR strategy. This includes an organization’s SIs and social projects as part of their CSR activities.

Some researchers have a harsher critique and refer to businesses being made responsible for the wicked challenges they have created rather than the problem already being part of a broken system, and a new opportunity to resolve. The organization’s corporate footprint is discussed further below. However, research typically shows wicked challenges normally occur in a social context, where there are diverse and differing views and perceptions of who is responsible and what the cause is. There are no right answers to solving wicked challenges (Camillus, 2008), and so it would appear they have been named accordingly: Wicked problems (challenges), refer to issues which are highly complex, have innumerable and undefined causes, and are difficult to understand and frame (Dentoni, Hospes, & Ross, 2012, p. 2). As explained earlier, these problems are also referred to as challenges and opportunities.

It should also be added with regards to the complexity of wicked challenges that there may be no “directly traceable causes” (Gioia, 1992, p. 381). For instance, poverty has been linked to both a lack of income and a deficit in human capabilities (Sen, 1999). While this may create a third problem of lack of education to solve the problem, it also makes it difficult to delimit wicked challenges, identify villains, and offer definitive solutions (Reinecke & Ansari, 2016; Waddock, 2008). Despite the multilayered context surrounding many of these wicked challenges, as stated above, the corporate is often held accountable. One reason is the corporate footprint on society. Businesses are viewed by some researchers as a major influence in the processes that have led to today’s social, economic, and environmental problems (Albareda, 2008; Belz & Peattie, 2012;
Porter & Kramer, 2011, cited in, Lindahl & Widén, 2015). Hence, the current perspective that corporations need to redesign their business models, to not only create value for themselves but also for society, is increasingly the status quo.

Research has shown that collaboration must take place within multi-stakeholder networks to fully understand and be a part of a resolution to wicked challenges (Lindahl & Widén, 2015). As previously mentioned, these levels of collaboration can be achieved by corporates and/or MNEs under the CSR banner as social projects and SIs as referred to in the research paper in Chapter 2. Social projects can also be scaled up to make enormous impact where both parties benefit, making the project sustainable, ongoing, and collaborative at the same time. Some researchers refer to CSV as one of the methodologies to do this. The next section looks at the potential for social projects and SIs to adopt social enterprise projects as part of the organization’s CSR strategy.

Corporates Working with Social Enterprises

Current social media on the topic of innovation and entrepreneurship will confirm there is significant opportunity for social enterprises and corporates to work together and support each other in solving wicked challenges. It is possible to develop or scale social enterprise projects to meet large populations and corporate demand. However, both the social enterprise and the corporate face similar challenges. Both are working with large complex challenges, and both are working within a system not yet aligned or functioning to support the delivery of profit for purpose (or ‘business for purpose’ as discussed in Chapter 1).

While waiting for the system to change, corporates are building social enterprises into their supply chain. They are doing this by supporting social enterprises through development assistance or procurement and educating their suppliers to do the same. PwC calls this “Buying Social” to fit. In doing so, this also fits a company’s commitment to diversity and inclusion, encouraging social mobility and supporting disadvantaged groups in society. Social enterprises also collaborate to familiarize themselves with the standards and controls used by big businesses, to ensure the quality and security they need can be delivered in ways that are not overly burdened for smaller start-ups (PwC, 2018). Another risk related to the delivery capacity of smaller social enterprises is they may not supply or distribute across an entire country where a corporate operates. To assist with this, PwC, for example, embrace a “multi-local” approach, so that different (but similar types of) social enterprises can be collaborated with, in different parts of the country. They also set-up a social enterprise hub that houses a social enterprise training course and a related trade association and includes a social enterprise restaurant. Numerous corporations have pursued this method of integrating social enterprises into their supply chain or supporting social enterprises under their CSR strategies, supporting them with their start-up strategy and income, and/or including them in their ongoing community programs. SAP, Barclays Bank and UBS provide recent case study examples of this, in the following section.
SAP Social Enterprise Case Study:

SAP announced in September 2018, they have entered a three-year partnership, with the Social Enterprise World Forum (SEWF), acting as their global technology partner. The organizations will work together to fulfill the SEWF’s ‘purpose’ to support the growth and development of social enterprises throughout the world and is considered to be the first-of-its-kind partnership. Central to the partnership, SAP will work closely with SEWF and Social Enterprise UK, to develop a Massive Open Online Course (MOOC) demonstrating the commercial and social impact corporates can obtain by investing in social enterprises according to SAP News. In addition, SAP and the SEWF will explore ways to drive greater social impact by introducing more social enterprises into corporate supply chains (SAP News, 2018). SAP employees will also support the partnership at an individual level through volunteering their time and skills. Each year, for example, SAP teams around the world will volunteer their time and skills to social enterprises in the regions where the SEWF is held.

Source: Adapted from an extract SAP News, UK Press Room/Corporate (2018).

Joint Social Enterprise Case Study:

Amey, PwC, BP and Santander, have spent collectively more than £45m with social enterprises since the Buy Social Corporate Challenge was launched in 2016. Social Enterprise UK, which organises the scheme, is calling UK businesses to spend £1bn with social enterprises. This will help support jobs for people facing challenges entering the job market, such as those with mental and physical disabilities or from vulnerable populations. A procurement software platform is being developed that will ‘streamline the onboarding of social enterprises.’

**Barclays Bank Social Enterprise Case Study:**

Barclays is contributing to reducing homelessness by purchasing coffee from a social venture *Change Please*, supported in the Big Venture Challenge programme. As a professional barista, *Change Please* provides a service to events, festivals and corporate functions and operate a number of coffee carts around London. All baristas were formerly homeless, referred through a partnership with The Big Issue, and now earn a London Living Wage. They also received training, banking opportunities help to secure a house, and are then provided with additional job opportunities through *Change Please* partners.

*Source: Square Space (2017).*

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**UBS Global Visionaries Social Enterprise SDG Case Study:**

An excellent case study for a corporate looking at their obligations and developing social projects to fit is UBS, who set-up Global Visionaries to welcome entrepreneurs to work towards one or more of the 17 UN SDGs. The entrepreneurs are given the opportunity to find innovative solutions to societal issues, across sectors: health; education; equality and the environment. UBS in return supports them by providing organizational support through their own corporate employee skill set, including finance, plus providing them with promotional tools through UBS marketing channels and social media campaigns. They also help the entrepreneurs scale up their projects for positive change by connecting them with their network of UBS partners and clients.

*Source: UBS (2020).*
Conclusion

As mentioned in the introduction of this chapter, CSR without considering innovation is no longer a viable proposition (Grayson et al., 2008; Kim et al., 2014). It is well acknowledged that innovation is crucial to a firm’s growth and survival. As mentioned previously, innovation is also fundamental to the latest definition of CSR announced by the European Commission (2011), which is listed earlier this chapter. As innovation lies at the heart of entrepreneurship (Ganz et al., 2018), this chapter has discussed issues relating to Social Innovation and CSR, and social entrepreneurship to create social enterprises, alongside CSE, CSI, and intrapreneurs within a company structure.

It is important to acknowledge that social entrepreneurship is not just for the social sector, or start-up entrepreneurs – corporations can also be social entrepreneurs. Leading companies are seeking to create more robust forms of strategic corporate citizenship and are engaging in what we refer to as “corporate social entrepreneurship” (Austin et al. 2006). The book chapter by Austin et al. (2006) titled Social entrepreneurship: it’s for corporations too, states precisely this point. CSE should be a priority in university curriculums alongside social entrepreneurship and social intrapreneurship, starting with understanding the components of CSR as the overriding strategy that can incorporate these types of entrepreneurship within organizations.

As stated earlier, Austin and Reficco (2009) explain the emergence of CSE from three other conceptual frameworks: entrepreneurship, CE, and social entrepreneurship. In doing so, they refer to the early vision of Schumpeter (1942), that entrepreneurship should shift from individuals to corporations, as corporates have greater resources for R&D. Austin and Reficco (2009) state this has already happened. However, over time corporate bureaucracy was seen as stifling innovation which slowed this movement. With the new movement of Social Innovation and ‘purpose’ that corporates are also embracing, there is a possibility that the concept of CSE is in development and gathering momentum. “Companies worldwide are facing a combination of push and pull factors that propel them toward more robust forms of CSR” (Austin et al., 2006) with the authors further suggesting corporates therefore have a good reason to invest in CSE. This is certainly an area for future research in light of the rapid social entrepreneurial movement and the corporate move toward innovation.

Many researchers agree that entrepreneurs have contributed significantly to society, as well as the economy and population, through job creation, utilization of business opportunities, and product innovation (Majid & Koe, 2012; Iyigün, 2015); however, the impact is less often measured. The rise of sustainable development due to concerns for the environment has prompted popular demand for corrective and preventive action by entrepreneurs in areas such as pollution, land degradation, and climate change (Chick, 2018). This has also given rise to the social and sustainable entrepreneur. As discussed in this chapter, future research should look at the benefits of corporates supporting and actioning projects by sustainable entrepreneurs, as part of their integrated CSR and sustainability strategy. To determine the success rate and benefits to both parties,
measuring their social impact is a necessity, and this is a growing area for future research.

As mentioned in the introduction to this chapter, the research presented in the CSR and Innovation section of this chapter suggests CSR can be used as a starting point for innovation, where innovative projects are perceived as risky in the start-up phase. Conducting innovative social enterprise start-up projects under CSR strategy as a Social Project or SI, places the entrepreneurial project under the safe umbrella of the organization’s CSR strategy. This allows for experimentation with innovation in a safe environment before being released. In this way CSR can encourage and enhance innovation toward social problems with a safety net. The corporate can therefore provide a setting for the enterprise to experiment with pilot projects, which, if successful, can be adopted as part of the organization’s ongoing CSR strategy and further developed and made scalable when unleashed to society.

Preuss (2011) confirms this with his research, suggesting:

“…if the Innovative CSR project succeeds, the company will have improved its legitimacy with society, and perhaps the project could also become a crystallisation point for other forms of innovation” (p. 25).

Hence, CSR has provided the initial safety net for innovation to succeed and can lead to additional innovative projects, which are scalable and financially beneficial. This is similar to the CSV projects suggested by Porter and Kramer (2011) in Chapter 4 of this book. CSR can therefore be a starting point for innovation and innovation within CSV projects.

As proposed in this chapter, corporates are in an excellent position to assist millennials by taking them under their wing and allowing their innovative social enterprise to develop as part of CSR strategy. Exploring future research opportunities in this area is key to creating an upward trend in CSR-related social causes in a millennial-based society. However, there is a need for future research to unpack the clichés surrounding the current research on millennials by providing research data that is conceptually driven, scrutinized, and peer reviewed. This will help secure future progress in the social and environmental domain of society and continue to unpack new solutions to social issues through innovation combined with millennial interest, might and will. If millennials are the way to future innovation – and will be the greatest influencers in corporations going forward – they need to be involved in CSR, innovation, and entrepreneurship as part of corporate strategy and not just in a social enterprise training setting.

Innovation has also become a popular topic when advocating for technological advancement and enhancing innovative processes in firms in developing countries and economies. From a research perspective, innovation is less understood in emerging economies and less-developed countries. However, innovation, entrepreneurship, creativity and creating competitive advantage, and knowledge are some of the main drivers for social and economic development (Nguyen & Hipsher, 2018). This chapter has suggested this can be achieved under the banner of Innovative CSR. Future research should focus on examining the different types of Innovative CSR in emerging markets which can benefit these countries, their
micro enterprises, and also tick the box on the SDG targets by 2030 for developing countries.

Another area of discussion in this chapter are the many wicked challenges needing innovative solutions at a scale that corporates in collaboration can deal with. As this book primarily focuses on the “social side of CSR”, a discussion of Social Innovation is befitting as they share a commonality. That is, “a wish to do social good for society.” Getting to the root cause of the systemic problem is another branch of Social Innovation, which requires a greater depth of understanding, which is possible by adding Social Innovation to CSR social projects.

As explained earlier, corporates are often blamed for wicked challenges, which may be viewed partially as a result of their ecological footprint. These problems, however, are also multilayered with many undefined causes (Dentoni et al. 2012), as explained earlier. Scholars have attempted to explain how businesses have increasingly taken on regulatory roles to address social and environmental challenges; however, less attention has been given to the process of how businesses are made responsible for wicked challenges (Reinecke & Ansari, 2016). This provides an excellent research opportunity to examine how much Social Innovation is possible under the canopy of CSR in corporations, while also studying more Innovative CSR programs and case studies.

This topic of innovation in CSR is therefore a significant opportunity for future academic research to examine social entrepreneurship and intrapreneurship, and the corporate versions of this within a CSR context, including the different job roles in each speciality and the overlap between roles that exists. In particular, there is a need to update research in this area as many of the case study examples used in the academic literature such as Timberland and Starbucks utilizing entrepreneurship and intrapreneurship as part of their CSR strategy are overused and outdated. Corporates supporting external entrepreneurs by bringing innovative programs into their businesses and mentoring social entrepreneurs to scale up and unleash projects to the public when ready is key.

Also important is the role of the social intrapreneur. They as an employee can use their corporate politics from within to get ‘disruptive’ ideas to market. This includes solving wicked problems through developing CSR social and environmental projects and initiatives, and also shared value (CSV) and/or integrated value (CIV) social and environmental projects and initiatives, under this umbrella. The social intrapreneur can help deliver and implement these projects within the organization. Their rate of success in doing this, and method(s) of successful implementation is an interesting area for future research, alongside systematic measurement of the social impact of these projects on wicked problems, within the communities where they operate.

Supporting an external entrepreneur in business synergies as part of CSR strategy also provides significant future research opportunities, especially with regard to measuring the social impact and benefit of these activities. As mentioned earlier, business consultants and millennial entrepreneurs frequently use terms related to innovation – such as ‘disruption,’ ‘be the change’ movement, and ‘business for purpose.’ Academics must mirror these themes in their research of corporate strategy, to keep pace with the business community and continue to produce cutting-edge research in this rapidly growing area.
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